



Gavin Newsom Plans To Buy All California Real Estate Foreclosures

Matt Aitchison says a new law in California, SB 1079, will result in the State entering the real-estate-foreclosed home business, which essentially removes competition from investors, and could ultimately socialize real estate as a whole. Following the financial meltdown in 2008, many people lost their homes to foreclosure and there was a great transfer of wealth to investors, especially large institutional Wall Street hedge funds. Blackstone was spending over \$100-million per week on distressed properties. Large hedge funds edged out small investors and community buyers. The new law permits eligible bidders, including tenants, families who plan to use the property as their primary residence, non-profits, land trusts and local governments to buy the homes, but they must pay up in cash when bidding. Under the new law, cities are allowed to fine owners \$2,000 per day for blighted property. Because most people cannot pay cash for a home, that puts government in the front of the line to buy the properties. Aitchison warns that this policy may spread to other Democrat-run states. -GEG